



National Rural Electric Cooperative Association

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Federal Communications Commission
Office of the Secretary

May 26, 1992

Ms. Donna R. Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Ms. Searcy:

I am writing to provide the comments of the National Rural Electric Cooperative Association (NRECA) concerning the Federal Communications Commission's (FCC) Notice of Proposed Rulemaking "In the Matter of The Telephone Consumer Protection Act of 1991", CC Docket No. 92-90.

NRECA is the national association for America's 1,000 consumer owned, nonprofit rural electric systems. Rural electric systems provide electric power in the rural portions of 2,600 counties in 46 states. Their service territory includes some 75% of the land area of the United States, and they provide electric power to about 11% of the population. On average, rural electric systems serve 5 consumers per mile of line, compared with a national average of about 35 consumers per mile for other utilities. Rural electric lines extend into many of the farthest reaches of our country.

NRECA understands why "The Telephone Consumer Protection Act of 1991" (TCPA) was enacted -- to protect consumers from the nuisance and irritation of prerecorded telephone solicitations. We also understand that automated telephone dialers serve many beneficial purposes, and that they are particularly useful as a way of providing information to consumers who reside in remote rural areas.

Approximately 200 rural electric cooperatives are currently using automated, computer-based telephone systems. Rural electric systems do not use automated phone systems for solicitation purposes, but only to provide notifications to their consumers of important information, including: scheduled power outages; circumstances relating to unscheduled power outages (due to storms or similar

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occurrences); power interruptions in the case of consumers who have agreed to participate in load management programs; disconnects in the case of consumers who are delinquent in paying their electric bills; and for many other purposes. Attachment 1 provides additional background on the use of automated phone dialers by rural electric systems.

NRECA believes that the FCC's Notice of Proposed Rulemaking (NOPR) would implement the TCPA in a manner that would permit the continued use of automatic dialers for purposes that are beneficial and do not adversely affect the privacy rights of consumers.

We specifically agree with the proposed exemptions included in the NOPR for:

1. calls that are not made for a commercial purpose;
2. calls made for a commercial purpose that do not transmit any unsolicited advertisement;
3. calls to any person with whom the caller has or had a business relationship (including calls for debt collection); and
4. calls made by tax-exempt nonprofit organizations.

We would like to suggest only one change. We believe that the proposed "Code of Federal Regulations" (CFR) language included in Appendix B of the NOPR should be modified with respect to the term "emergency purposes". Page 7, paragraph 17 of the NOPR points out that "emergency" was intended by the Congress to be interpreted "broadly rather than narrowly". The NOPR specifically quotes Chairman Markey's Floor statement that:

"The term 'emergency purposes' is also intended to include an automated telephone call that notifies consumers of impending or current power outages, whether these outages are for scheduled maintenance, unscheduled outages caused by storms, or power interruptions for load management purposes."


The proposed CFR language on this item simply states that "the term 'emergency purposes' means calls made necessary in any situation affecting the health and safety of consumers". We believe that this proposed definition is not specific enough, and could exclude some calls clearly intended to be

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permitted within the definition of "emergency purpose". We respectfully request that the term "emergency purposes" be defined to mean **"calls to notify consumers of any situation that could affect health or safety, or involve the loss of essential services, including, but not limited to electricity and water supply."**

Automatic telephone dialing systems permit rural electric systems to communicate more effectively, and thereby improve the quality of their service to consumers. We support and appreciate the approach taken by the FCC in this Notice of Proposed Rulemaking. We believe that this NOPR is consistent with the intent of Congress and clearly in the best interest of consumers.

Sincerely,



Bob Bergland
Executive Vice President

BB:rl

Enclosure



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ATTACHMENT 1

USE OF AUTOMATED TELEPHONE SYSTEMS BY RURAL ELECTRIC COOPERATIVES

Background:

Rural electric systems are consumer owned cooperatives that provide electric service in the rural portions of 2,600 counties in 46 states. Their lines cover some 75% of the land area of the United States and they serve about 11% of the U.S. population.

Each rural electric cooperative is owned by the people who receive electricity from the cooperative. These consumers control the cooperative and elect the members of its board of directors at annual meetings. The board then hires a general manager who selects a staff and is responsible for the day-to-day operation of the cooperative.

Rural electric systems provide electric service in some of the most sparsely settled areas of the U.S. On average they serve 5 consumers per mile of line, compared with a national average of 35 per mile for other electric utilities. Rural electric lines extend into many of the farthest reaches of our country.

Use of Automated Telephone Systems by Rural Electric Cooperatives:

Approximately 200 rural electric cooperatives are currently using automated, computer-based telephone systems to provide notifications to their consumers. The number of rural electric systems using these automated phone systems has grown and may continue to grow because this has proven to be an effective means of providing information to rural consumers who often live in far flung rural areas. The use of these systems has also proven to be popular with co-op consumers. This is becoming more and more true as fewer and fewer families no longer have an adult at home during the day -- both because of the growth of single parent families and the increase in two income families.

Rural electric cooperatives do not use automated phone systems for solicitation purposes, but only to provide notifications. Some examples of the ways in which rural electric cooperatives use automated phone systems are:

A. Cases in which is a Consumer is or could become without Electricity:

- o Scheduled power outages: When a co-op has scheduled maintenance or construction activity that may result in the temporary loss of power to persons living in a particular area, automated phone systems are used to call consumers in these areas to make them aware of this. This has proven to be effective in reaching consumers who may not read a notice placed in newspapers or a mailing to the home.
- o Unscheduled power outages: When a cooperative experiences an unscheduled power outage (due to storms or similar circumstances), it is often useful to notify consumers in the affected areas of the nature and status of the problem and when power is likely to be restored.
- o Load Management Programs: When peak electric usage periods are being reached, co-ops use automated telephones to inform those consumers who have agreed to participate in load management programs to expect interruptions in electric service to their homes.
- o Power Disconnects: When a consumer fails to make timely payment of an electric bill, the co-op provides written notices by mail. In addition to these written notices, co-ops with automated phone systems provide courtesy calls. Experience has shown that these consumers appreciate this additional reminder, and prefer a prerecorded message to the embarrassment of receiving a live call from a person who, in a small rural community, they may know quite well, (attend the same church, or have children in the same school).

B. Other Uses of Automated Phone Systems by Rural Electric Cooperatives:

- o Meter Reading: Many cooperatives expect consumers to read their own meters. This is one way of cutting costs to all co-op consumers. However, when a consumer does not send in a meter reading by a particular date, the co-op has to estimate electric usage levels based on the past billing data for that consumer. (These estimated bills are later adjusted for when actual readings are received in subsequent months.) Co-ops with automated phone systems call consumers who are late in sending in their meter readings to remind them that they will receive an estimated bill unless they send in their meter reading by a particular date.
- o Annual Meetings: A co-op annual meeting is integral to the operation of a cooperative. It is at the annual meeting that consumers elect directors and also vote on any proposed bylaw changes or other changes in co-op policies. Co-ops with automated phone systems often call their consumers to remind them of annual meeting times and locations in order to encourage all consumers to attend.